

Atlantic City casino agency struggles with staff shortages

Salary freeze. Hiring freeze. Budget freeze.

Atlantic City's gaming slump has not only punished the casinos, but also the state agency that regulates the USD 4.5 billion industry.

The Casino Control Commission has been forced into doing more with less amid the economic crisis that has hurt gaming operators and their vendors.

Its operating budget has flatlined at USD 29.1 million. A virtual hiring freeze, combined with a cost-cutting, early-retirement program for state government workers in recent years, has reduced the number of commission employees to 295 compared with 350 in 2002. Now a possible pay freeze is in the offing as the state struggles with a budget crunch.

Linda M. Kassekert, commission chair, acknowledged the challenges of trying to oversee such a large industry with a shrinking work force. Commission employees are taking on additional responsibilities as more and more of their colleagues retire but are not replaced. However, Kassekert maintained the regulatory process has not been sacrificed.

„We are at a point where we are OK,“ she said. „I don't think we have seen a compromise of the regulatory functions.“

The commission lost 14 employees last year to retirement. The staff shortages have become so critical that the commission had to get special permission from the state Treasury Department to keep assistant general counsel Dennis Kell for another year after he originally requested early retirement.

In a rare exception to the hiring freeze, the commission was allowed to add two staff attorneys last year to lessen the workload.

„Every single hire gets scrutinized to an incredible degree before any approval is given,“ commission spokesman Daniel Heneghan said.

The recession has caused developers to postpone three major casino projects, but the commission has been busy with myriad other regulatory functions. At the top of the list is the saga involving Tropicana Casino and Resort’s sale. The troubled casino was stripped of its license in December 2007, but efforts to sell it in a bankruptcy auction have been drawn out by a series of legal and financial impediments made worse by the economic downturn.

„I have learned more about bankruptcy law than I ever thought I would,“ Kassekert said of the exasperating experience of trying to sell the Tropicana.

The lousy economy has generated even more work for the commission because some of the struggling casinos have proposed complex financial restructurings that must be reviewed and approved.

„It’s no secret that a number of casinos out there are facing financial difficulties,“ Kassekert said.

The commission’s regular duties continue without any letup. Along with help from the New Jersey Division of Gaming Enforcement, it oversees state gaming regulations, investigates casino licensees and their vendors and operates a test laboratory for new slot machines before they are allowed for public use.

Kassekert said the commission eventually will have to increase its staff to handle the licensing of new casinos that are expected in years ahead, once the economy recovers.

„As we move forward with new casinos coming online, I will have to go to the governor and ask for more inspectors, more accountants and more attorneys,“ she said.

In addition to the state hiring freeze, Gov. Jon S. Corzine has delayed naming a replacement for Commissioner Ralph G. Frulio, whose retirement last summer has left the commission's board with only four members.

Commissioner Michael A. Fedorko's term will expire in August, possibly creating another vacancy unless the governor quickly appoints his successor or Fedorko agrees to stay on as a holdover for as long as 120 days, as allowed by law.

Kassekert said the commissioners' duties include serving as hearing officers in disputed cases, a time-consuming process. With Frulio gone, the remaining commissioners have had to take up the slack.

„Having one less commissioner does increase that workload,“ Kassekert said.